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BIWEEKLY REPORT

SINO-SOVIET BLOC ECONOMIC ACTIVITIES IN UNDERDEVELOPED AREAS

EIC-WGR 1/103

18 January 1960

PREPARED BY THE WORKING GROUP
ON SINO-SOVIET BLOC ECONOMIC ACTIVITIES
IN UNDERDEVELOPED AREAS

ECONOMIC INTELLIGENCE COMMITTEE

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These biweekly reports on "Sino-Soviet Bloc Economic Activities in Underdeveloped Areas" are prepared and issued by a Working Group of the Economic Intelligence Committee, including representatives of the Departments of State, the Army, the Navy, the Air Force, Commerce, and Agriculture; the International Cooperation Administration; the Office of the Secretary of Defense; and the Central Intelligence Agency. Their purpose is to provide up-to-date factual information on significant developments in the economic relations of Sino-Soviet Bloc countries with underdeveloped countries of the Free World. The EIC-R-14 series of reports, under the same title, provide periodic summaries and analytical interpretations of these developments.

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Summary of Events*

1 - 14 January 1960

Ceylon and Communist China have agreed on the quantities of rubber and rice to be exchanged under the 1960 protocol between the two countries. The quantities agreed on are well below those exchanged in 1959.

The economic agreement between Burma and the USSR has enabled Burma to transfer part of its credit on trade account with the USSR to pay off its longstanding barter debt to Communist China and also to make additional purchases of Chinese goods.

Twenty-one Afghan technicians from the Jangalak industrial complex recently departed for training in the USSR. They are to be followed shortly by petroleum specialists and other technicians and supervisory personnel from Jangalak. This development reverses an Afghan policy of long standing against sending civilian personnel to the USSR for technical training.

Ethiopia is actively considering two Soviet offers of economic aid. The first provides for sales of petroleum products at prices lower than those set by Western suppliers, and the second calls for the construction of an oil refinery.

The first Bloc industrial project undertaken in Guinea is to be a small flour mill, which will be provided by Hungary.

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[REDACTED] Argentina has served notice of its intention to terminate its bilateral trade and payments agreements with all Soviet Bloc countries with the exception of the USSR. Countries involved include Bulgaria, Czechoslovakia, Hungary, Poland, Rumania, and probably East Germany.

* An unclassified table summarizing Sino-Soviet Bloc credits and grants extended by the Bloc to underdeveloped countries of the Free World as of 31 December 1959 is included in this issue on p. 7.

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On 10 January a Chilean trade mission arrived in the USSR to discuss the possibilities of trade between the two countries. Soviet trade agencies are expected to offer such goods as POL, oil-drilling equipment, roadbuilding and construction machinery, tractors, and automobiles in return for Chilean copper, copper concentrates, and nitrates.

Communist China has purchased 50,000 Spanish long tons of Cuban raw sugar for 2.93 cents per pound f.o.b. Cuba. Poland has purchased the same quantity at a price of 2.95 cents per pound. The prices paid are in line with the world market prices prevailing at the time the contracts were effected.

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